GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3589
ANSWERED ON:23.12.2008
DEVELOPMENT OF SMALL SCALE INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a): the growth rate of Small Scale Industries in the country during each of the last three years and current year, State-wise;

(b): whether proper treatment is not accorded for the development of small industries in comparison to the large and medium industries; and

(c) : if so, the reaction of the Government thereto and the concrete steps proposed to be taken by the Government for the development of the small industries and to increase employment in this sector?

Answer

MINISTER OF MICRO,SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a): Based on the revised Index of Industrial Production for the micro and small enterprises (MSE) sector, with base year 2001-02, the rate of growth of production of MSEs in the country during 2004-05, 2005-06 and 2006-07 have been 10.9%, 12.3 % and 12.6 % respectively. As there is time lag of about six to nine months in the preparation of growth rate, information in respect of growth rates for the year 2007-08 and current year are not available. State-wise information is not maintained centrally.

(b) & (c): Promotion and development of MSEs is primarily the responsibility of State/Union Territory (UT) Governments. To assist the States/UTs and supplement their efforts in this regard, the Central Government implements several Schemes/Programmes for promotion and development of Small Industries by

(i) facilitating availability of credit through banks/financial institutions,
(ii) assistance for technology upgradation, marketing, integrated infrastructural development and comprehensive need-based development of clusters, and
(iii) entrepreneurship development.

Further, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to facilitate the promotion and development of micro, small and medium enterprises and enhancement of their competitiveness. The Act has come into effect from 2nd October, 2006. The Government has also recently launched a new credit linked subsidy programme called Prime Minister`s Employment Generation Programme (PMEGP) by merging two schemes that were in operation till 31.03.2008 namely Prime Minister`s Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas.